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the evident spirit of self-help and the resolute endeavor to meet the exigencies of fortunes by voluntary organization. Moreover, he will find it easy to raise questions which cannot be answered till other State bureaus of labor statistics — or our national bureau — shall contribute the remaining chapters or volumes to the history of the Friendly Society movements in the United States.

EDWARD CUMMINGS.

THE ENDOWMENT ORDERS.

In an article on co-operative insurance and endowment schemes in this *Journal* for July, 1891, it was said that, unless the endowment organizations died a natural death, much legislation and many judicial decisions would be necessary to give them clear legal standing. The natural death has come already in Massachusetts.

Fifty-six orders had been organized before the passage, in 1890, of the law forbidding the issue of new charters. The insurance commissioner in his Annual Report for 1893 publishes what he calls "Brief Endowment Obituaries" for forty-eight of them. Six only are alive at this writing; and a bill for closing these six was passed by the legislature at its recent session. The fifty died the natural death. No law interfered with them. The essential part of their scheme was that new members should be added with sufficient rapidity to allow old members of an order to withdraw from its treasury more than they had contributed. Death came because new members did not come in fast enough to keep the treasury supplied.

In the five years of the existence of the Massachusetts orders obligations were issued to the amount of nearly \$120,000,000. The average term of the obligations was a little less than five years. A little less than \$9,000,000 had been already collected to meet the obligations.

It is doubtful whether any other scheme ever involved so great inequality in the final profit and loss of those interested.

It will pay to analyze somewhat in detail the distribution of the money collected by these Massachusetts organizations,—in all \$12,500,000.

Expenses absorbed thirty per cent. of the collections. Many of the salaries paid would be laughable if they did not represent money taken from people who could ill afford to lose it. One order, with a membership of only 12,000,—and the nature of the business was almost mechanical, and called for no extraordinary business talent,—paid four salaries of \$7,500 each, two of \$8,000 each, and one of \$10,000. One of the \$7,500 salaries went to the supreme chaplain. The receivers of four orders report that the accounts were either tampered with or destroyed. The receivers of five orders report that the accounts were either confused or actually incorrect. At least three receivers have been obliged to sue the supreme officers to get possession of the funds belonging to the orders. In view, then, not simply of the work required of the officers, but also of the manner in which in many cases that work was done, the expenses of a large part of the orders were scandalous. In some cases, however, the officers not only accepted thoroughly reasonable salaries, but declare that they have surrendered a part of the salaries due to them to assist the orders to recover financially.

About one-sixth of the money collected was paid out for "sick and disability claims," as advance payment on account of final endowment claims. Many of the members who received the "sick benefits" immediately withdrew from the orders; for they had already received in the form of benefits more than they had paid into the treasuries, and were glad, after one or two frights, to find the balance on the right side of their profit and loss accounts. There is evidence tending to show that some physicians gave their patients very questionable aid in obtaining money in this way. The officers of one order declare that they were driven into a receiver's hands by this practice alone.

About one-quarter of the money collected was paid to holders of matured certificates, of whom there were less than 31,000, or considerably less than nine per cent. out of a total membership of 364,000.

The rest of the money, except so far as embezzlements have occurred,—and one cannot but be gratified that only about half a dozen cases of the kind appear,—is already, or soon will be, in the hands of receivers for distribution among the disappointed members. The disappointment of many of them will be great, not only because they have failed to realize the wealth promised them, but because their actual losses are so great. Their disappointment is especially hard to bear in view of the gains made by most of the officers, matured-certificate holders, and recipients of “sick benefits.” The amount returnable to the members depends, of course, upon the number of matured certificates paid and upon the number and amount of “sick benefits”; for the expenses were paid from special expense assessments which were generally fully exhausted. In some of the orders most of the money paid into the endowment fund had been used for matured certificates, and little remains for the remaining contributors. In one order, whose accounts have been already settled, but five and a half per cent. of the amount paid in could be returned to the members. Another, though it had had no certificates mature, had been obliged to pay so many sick benefits that but fifty-six per cent. of the amount paid in could be returned. Another, faring better, has paid seventy-seven and a half per cent. A few expect to pay well up towards ninety or more.

The only strange thing in the history is that people were so long in realizing—or in acting as if they realized—how far the scheme was pure gambling and how large were the stakes. There were many failures before 1892; but the panic hardly came until the “Iron Hall,” the oldest and largest order, collapsed under suspicion of grave dishonor. It is probable that not simply the individual orders, but the scheme itself, is dead,—at least in Massachusetts for this generation.

Many of the bond and investment companies seem to have died without obsequies, obituaries, or other sign. They have, at any rate, passed into a state of coma. As was pointed out in the article of two years ago in this journal, the coma may sometimes last for years, but it is sure to end in death; and practically all of them have already passed into it.

WILLIAM MORSE COLE.